

WEINER, McCAFFREY, BRODSKY & KAPLAN, P.C.

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ADAM M. MYCYK*

PATRICIA L. PAYNE
JAY A. STEPHENS
ANDREA LEE NEGRONI
OF COUNSEL

February 13, 1992

16752-C
RECORDED TO FILED IN

FEB 13 1992 - 4 10 PM

*NOT ADMITTED IN D.C.

BY HAND DELIVERY

INTERSTATE COMMERCE COMMISSION

The Hon. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423

Re: Recordation No. 16752

Dear Mr. Strickland:

Enclosed please find an original and one true certified copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Third Amendment to Security Agreement, a secondary document, dated December 19, 1991.

The primary document to which this is connected is recorded under Recordation No. 16752.

The names and addresses of the parties to the primary document are as follows:

Borrowers/Principal Debtors

Gulf & Ohio Railways, Inc.
401 Henley Street
Suite 5
Knoxville, Tennessee 37902

Atlantic & Gulf Railroad Co., Inc.
401 Henley Street
Suite 5
Knoxville, Tennessee 37902

EB 13 4 04 PM '92
MOTOR OPERATING UNIT

C. O. [Signature]
Ramona Baker

WEINER, MCCAFFREY, BRODSKY & KAPLAN, P.C.

The Hon. Sidney L. Strickland -2-

February 13, 1992

Wiregrass Central Railroad Company, Inc.
401 Henley Street
Suite 5
Knoxville, Tennessee 37902

Mississippi Delta Equipment Co., Inc.
401 Henley Street
Suite 5
Knoxville, Tennessee 37902

Lender

AmSouth Bank N.A.
P.O. Box 11007
Birmingham, Alabama 35288
Attn: National Banking Department

This secondary document, the Third Amendment to the Security Agreement deletes Locomotive No. 3023 from the list of equipment on Exhibit D to the original Security Agreement and adds to the list the following:

<u>Loco No.</u>	<u>Last Owner</u>	<u>Present Owner</u>	<u>Type</u>
8090	ICG	MDEQ	GP-10
8104	ICG	MDEQ	GP-10

A short summary of the document to appear in the index follows:

12/19/91 Third Amendment to Security Agreement between Gulf & Ohio Railways, Inc., Wiregrass Central Railroad Company, Inc., Atlantic and Gulf Railroad Co., Inc., Mississippi Delta Equipment Co., Inc., and AmSouth Bank N.A., amending the rolling stock and other property as described in Exhibit D of the original Security Agreement.

A filing fee of \$16.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the representative of this firm filing this document.

WEINER, MCCAFFREY, BRODSKY & KAPLAN, P.C.

The Hon. Sidney L. Strickland -3-

February 13, 1992

Thank you for your attention to this matter. Please call
if you have any questions.

Very truly yours,



Jill M. Hawken

Enclosure

8515\2\TJMH104.LET

WEINER, McCAFFREY, BRODSKY & KAPLAN, P.C.

ATTORNEYS AT LAW

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PATRICIA L. PAYNE
JAY A. STEPHENS
ANDREA LEE NEGRONI
OF COUNSEL

February 13, 1992

2-045A005

*NOT ADMITTED IN D.C.

BY HAND DELIVERY

The Hon. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423

Re: Recordation No. 16752

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This document is a Third Amendment to Security Agreement, a secondary document, dated December 19, 1991.

The primary document to which this is connected is recorded under Recordation No. 16752.

The names and addresses of the parties to the primary document are as follows:

Borrowers/Principal Debtors

Gulf & Ohio Railways, Inc.
401 Henley Street
Suite 5
Knoxville, Tennessee 37902

Atlantic & Gulf Railroad Co., Inc.
401 Henley Street
Suite 5
Knoxville, Tennessee 37902

RECEIVED
FEB 13 4 04 PM '92
U.S. DEPT. OF JUSTICE

2-045A006

ITEL

February 12, 1992

Itel Rail Corporation

550 California Street
San Francisco, CA 94104
(415) 984-4200

Hon. Sidney L. Strickland, Jr., Esq.
Secretary
Interstate Commerce Commission
Washington, DC 20423

Re: Release and Termination

Dear Mr. Strickland:

On behalf of Itel Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$16 recordation fee.

Please record the Release and Termination under the Loan and Security Agreement dated as of April 27, 1990, between The CIT Group/Equipment Financing, Inc. and Rex Railways, Inc., which was filed with the ICC on April 27, 1990, under Recordation No. 16852.

The parties to the aforementioned instrument are listed below:

Rex Railways, Inc. (Debtor)
550 California Street
San Francisco, California 94104

The CIT Group/Equipment Financing, Inc. (Secured Party)
300 South Grand Avenue
Los Angeles, California 90071

Effective as of February 6, 1992, the Loan and Security Agreement is terminated in its entirety.

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

Patricia Schumacker

Patricia Schumacker
Legal Assistant

Interstate Commerce Commission
Washington, D.C. 20423

2/14/92

OFFICE OF THE SECRETARY

Jill M. Hawken

Weiner, McCaffrey, Brodsky & Kaplan

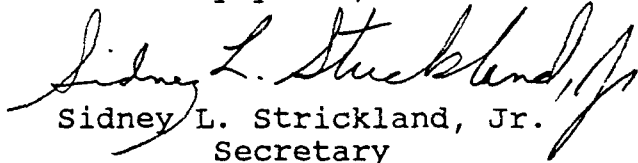
1350 New York Avenue N.W.

Washington, D.C. 20005-4797

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 2/13/92 at 4:10pm , and assigned recordation number(s). 16752-C

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

THIRD AMENDMENT TO SECURITY AGREEMENT

FEB 13 1992 4 12 PM

INTERSTATE COMMERCE COMMISSION

This Third Amendment to Security Agreement (hereinafter called "this Amendment"), is made and entered into as of ~~November~~ ^{December} 19, 1991, by and among Gulf & Ohio Railways, Inc., a Tennessee corporation, Wiregrass Central Railroad Company, Inc., an Alabama corporation, Atlantic and Gulf Railroad, Inc., a Georgia corporation ("AGRC"), and Mississippi Delta Equipment Co., Inc., a Tennessee corporation (together, the "Borrowers" or individually, "Borrower") and AmSouth Bank N.A., a national banking association (the "Lender").

Recitals

A. The Borrowers (except for AGRC) and Alabama & Florida Railroad Company, Inc., an Alabama corporation ("AFRC") (the Borrowers (except for AGRC) and AFRC are hereinafter sometimes collectively called the "Original Borrowers") have heretofore executed and delivered to the Lender a Security Agreement dated as of February 5, 1990 (the "Security Agreement"). The Security Agreement was amended by a First Amendment thereto dated July 11, 1990, executed by the Original Borrowers and the Lender (the "First Amendment"). The Security Agreement was further amended by a Second Amendment thereto dated as of February 15, 1991 executed by the Borrowers and the Lender (the "Second Amendment") the Security Agreement as amended by the First Amendment and the Second Amendment (hereinafter, the Amended Security Agreement), granted to the Lender a first priority security interest in, and lien on, all tangible and intangible personal property of the Borrowers, whether now owned or hereafter acquired, as security for certain credit extended by the Lender to the Borrowers pursuant to a certain Loan Agreement dated as of February 5, 1990 (as amended by a First Amendment to Loan Agreement dated as of July 11, 1990 (the "First Amendment"), as further amended by a certain Master Modification and Amendment Agreement dated as of August 27, 1990 (the "Second Amendment"), and as further amended and restated by a certain Third Amendment to and Restatement of Loan Agreement (the "Third Amendment"), the "Restated Loan Agreement").

B. The Borrowers and AFRC have requested that the Lender (i) release a certain locomotive from the lien of the Security Agreement and (ii) enter into a certain First Amendment to Restated Loan Agreement (the "Fourth Amendment") for the purpose of making changes to certain financial covenants. (The Restated Loan Agreement as further amended by the Fourth Amendment thereto, is hereinafter called the "Loan Agreement".)

C. The Lender is willing to release the locomotive and enter into the Fourth Amendment as requested upon the condition (among other things) that the Borrowers enter into this Amendment.

Agreement

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual agreement of the parties thereto, the Borrowers and Lender hereby agree as follows:

1. Capitalized terms used in this Amendment and not otherwise defined herein have the respective meanings attributed thereto in the Security Agreement.

2. The Security Agreement be, and it is hereby, amended as follows:

(a) Paragraph B of the recitals on page 1 of the Security Agreement is hereby amended to read, in its entirety, as follows:

B. The Original Borrowers and Atlantic and Gulf Railroad, Inc., a Georgia corporation ("AGRC") have now requested that the Lender enter into a Third Amendment to and Restatement of Loan Agreement (the "Third Amendment") with the Original Borrowers (except for AFRC) and AGRC, (collectively, the "Borrowers") dated as of February 15, 1991, pursuant to which the Lender will agree to make available to the Borrowers an amended term loan in the principal amount of \$2,867,478.00 (the "Term Loan") and a modified revolving line of credit in the maximum principal amount at any one time outstanding of \$500,000 (the "Line of Credit") (the principal amounts outstanding from time to time under the Term Loan and the Line of Credit being hereinafter sometimes together called the "Loans"). (The Original Loan Agreement as amended and restated by the Third Amendment and all future amendments entered into from time to time is hereinafter called, the "Loan Agreement".) The proceeds of the Loans are to be used by the Borrowers for the purposes set forth in the Loan Agreement.

(b) Exhibit D to the Security Agreement is hereby amended by deleting locomotive number 3023 from the list of locomotives and by adding the following to the list:

<u>Loco Number</u>	<u>Last RR Owner</u>	<u>Present Owner</u>	<u>Where located</u>	<u>Type</u>
8090	ICG	MDEQ	Albany, GA	GP-10
8104	ICG	MDEQ	Albany, GA	GP-10

3. As security for the Obligations, the Borrowers do hereby transfer, sell, assign and convey to the Lender, and grant to the Lender a security interest in, all of their right, title and interest in, to and under the following property, whether real, personal or mixed, whether now owned or hereafter acquired by the Borrowers, and wherever located (hereinafter collectively called the "Property"):

(a) All machinery, equipment, furniture, furnishings, Inventory, materials, vehicles, supplies, fixtures, goods and other tangible personal property of the Borrowers including all locomotives, engines, tenders, tampers, cars, buses, trucks and other rolling stock and equipment including, without limitation, all such locomotives, engines, tenders, tampers, cars and other rolling stock described in Exhibit A to this Agreement (all equity therein), and all steamers and steamships, ferries, boats, barges, tugs and other floating equipment;

(b) any and all accessions and additions now or hereafter made or added to any of the property described in subparagraphs (a) above, any substitutions and replacements therefor, and all attachments and improvements now or hereafter placed upon or used in connection therewith, or any part thereof; and

(c) all interest, dividends, proceeds, products, rents, royalties, issues and profits of any of the property described in subparagraphs (a) through (b) above and all notes, certificates of deposit, checks and other instruments from time to time delivered to or otherwise possessed by the Lender for or on behalf of the Borrowers in substitution for or in addition to any or all of said property; and

(d) all books, documents and records (whether on computer or otherwise) related to any of the items described in subparagraphs (a) through (c) above.

No submission by the Borrowers to the Lender of a schedule or other particular identification of the Property shall be necessary to vest in the Lender security title to and a

security interest in each and every item of the Property (or any of them) now existing or hereafter created and acquired, but rather such title and security interest shall vest in the Lender immediately upon the creation or acquisition or any item of the Property hereafter created or acquired, without the necessity for any other or further action by the Borrowers or by the Lender.

4. In order to induce the Bank to release the locomotive enter into the Fourth Amendment and this Amendment, the Borrowers hereby represent and warrant that all the representations and warranties set forth in the original Security Agreement are true and correct as of the date of this Amendment and as of the date of execution thereof as fully as if said representations and warranties had been made on and as of each of said dates; and no event of default under Section 17 of the Security Agreement has occurred and is continuing.

Except as hereby expressly modified and amended, the original Security Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, each of the undersigned Borrowers has caused this instrument to be executed in its name and on its behalf by its officers thereunto duly authorized, all as of the date first above written, although each of them has actually executed this Amendment on the date set forth beside their signature below.

GULF & OHIO RAILWAYS, INC.

Date: ~~November~~ December 14, 1991

By [Signature]
Its President

WIREGRASS CENTRAL RAILROAD
COMPANY, INC.

Date: ~~November~~ December 14, 1991

By [Signature]
Its President

MISSISSIPPI DELTA EQUIPMENT
CO., INC.

Date: ~~November~~ December 14, 1991

By [Signature]
Its President

ATLANTIC AND GULF RAILROAD,
INC.

Date: December 19, 1991

By [Signature]
Its President

AMSOUTH BANK N.A.

Date: December 20, 1991

By [Signature]
Its VP

STATE OF ^{TENNESSEE}~~ALABAMA~~)
COUNTY OF ^{KNOX}~~JEFFERSON~~

On this 19th day of ^{DECEMBER}~~November~~, 1991 before me personally appeared, H. Peter Claussen, to me personally known, who being duly sworn, says that he is the President of Gulf & Ohio Railways, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]

Gaut J. Knapp
Signature of Notary Public

My Commission expires My commission expires Aug. 23, 1993

STATE OF ^{TENNESSEE}~~ALABAMA~~)
COUNTY OF ^{KNOX}~~JEFFERSON~~

On this 19th day of ^{DECEMBER}~~November~~, 1991 before me personally appeared, H. Peter Claussen, to me personally known, who being duly sworn, says that he is the President of Wiregrass Central Railroad Company, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]

Gaut J. Knapp
Signature of Notary Public

My Commission expires My commission expires Aug. 23, 1993

STATE OF ^{TENNESSEE} ~~ALABAMA~~)
COUNTY OF ^{KNOX} ~~JEFFERSON~~

On this 19th day of ^{DECEMBER} ~~November~~, 1991 before me personally appeared, H. Peter Claussen, to me personally known, who being duly sworn, says that he is the President of Atlantic and Gulf Railroad, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]

Janet J. Krapp
Signature of Notary Public

My Commission expires My commission expires Aug. 23, 1993

STATE OF ^{TENNESSEE} ~~ALABAMA~~)
COUNTY OF ^{KNOX} ~~JEFFERSON~~

On this 19th day of ^{DECEMBER} ~~November~~, 1991 before me personally appeared, H. Peter Claussen, to me personally known, who being duly sworn, says that he is the President of Mississippi Delta Equipment Company, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]

Janet J. Krapp
Signature of Notary Public

My Commission expires My commission expires Aug. 23, 1993

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Robert C. Cee-field Jr., whose name as Vice President of AmSouth Bank N.A., a national banking association, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said banking association.

Given under my hand and official seal, this the 20th day of ~~November~~ December, 1991.

Willa Sue Ligon
Notary Public

AFFIX SEAL

My commission expires MY COMMISSION EXPIRES DATE 07-01-93

EXHIBIT A

<u>Loco Number</u>	<u>Last RR Owner</u>	<u>Present Owner</u>	<u>Where located</u>	<u>Type</u>
8090	ICG	MDEQ	Albany, GA	GP-10
8104	ICG	MDEQ	Albany, GA	GP-10

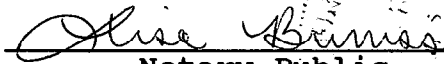
AFFIDAVIT

I, Jill M. Hawken, being first duly sworn upon oath, depose and say that I have compared the document attached, a copy of the Third Amendment to Security Agreement dated as of December 19, 1991, between Gulf & Ohio Railways, Inc., Wiregrass Central Railroad Company, Inc., Atlantic and Gulf Railroad Co., Inc., Mississippi Delta Equipment Co., Inc. and AmSouth Bank, N.A., with the original document and that the copy is complete and identical in all respects to the original document.

Dated this 13th day of February, 1992.


Jill M. Hawken

Subscribed and sworn to before me, a Notary Public, this 13th day of February 1992.


Notary Public

My commission expires My Commission Expires September 14, 1993